

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY	Yugoslavia	REPORT	
SUBJECT	Vukmanovic Mission	DATE DISTR.	18 Nov. 1954
DATE OF INFO.		NO. OF PAGES	2 25X1
PLACE ACQUIRED		REQUIREMENT NO.	RD
		REFERENCES	25X1
This is UNEVALUATED		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> BY CABLE </div>	

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1. The Vukmanovic mission currently in Washington to obtain a loan is prepared to accept any conditions including, if necessary, the nomination of American supervisors in Yugoslavia. If the loan is obtained, the Yugoslav government plans a general reduction in wages. It does not propose to abandon its industrialization schemes. ¹
2. Decreased expenditure on military preparations would also be envisaged and is considered feasible by the Yugoslav Government in view of the easing of tension with the USSR.

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Comment: Assuming the Yugoslav spend most of U.S. aid on wheat and other foodstuffs, it is probable that the Yugoslav Government will release U.S. wheat to its domestic market and thereby reduce the price of wheat. In order to prevent the people from spending this extra money on consumer goods, the Yugoslav Government will enforce a general wage reduction, thus allowing the government to continue capital goods industrialization at the expense of the workers' living standards.

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